



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AUDIT EXAMINATION OF THE
LARUE COUNTY FISCAL COURT**

Fiscal Year Ended June 30, 1998

**EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS
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Edward B. Hatchett, Jr. Auditor of Public Accounts

To the People of Kentucky
Honorable Paul E. Patton, Governor
John P. McCarty, Secretary
Finance and Administration Cabinet
Sarah Jane Schaaf, Secretary, Revenue Cabinet
Honorable Tommy Turner, County Judge/Executive
Members of the LaRue County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and fund balances arising from cash transactions of LaRue County, Kentucky, as of June 30, 1998, and the related statement of cash receipts, cash disbursements, and changes in cash balances for the year then ended. These financial statements are the responsibility of the LaRue County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

LaRue County, Kentucky prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and laws of Kentucky. Consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances arising from cash transactions of LaRue County, Kentucky, and the related statement of cash receipts, cash disbursements, and changes in cash balances as of and for the year ended June 30, 1998, in conformity with the cash basis of accounting described above.

To the People of Kentucky
Honorable Paul E. Patton, Governor
John P. McCarty, Secretary
Finance and Administration Cabinet
Sarah Jane Schaaf, Secretary, Revenue Cabinet
Honorable Tommy Turner, County Judge/Executive
Members of the LaRue County Fiscal Court

Our audit was performed for the purpose of forming an opinion on the financial statements of LaRue County, Kentucky, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and is not a required part of the financial statements. The other information provided on the accompanying schedules is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated July 14, 1999 on our consideration of LaRue County, Kentucky's compliance with certain provisions of laws, regulations, contracts, and grants, and internal control over financial reporting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
July 14, 1999

LARUE COUNTY OFFICIALS

As of June 30, 1998

Tommy Turner	County Judge/Executive
Danny Rock	County Attorney
Linda Carter	County Clerk
Ruth Ann Brown	Circuit Court Clerk
Merle Edlin	Sheriff
Ralph Trumbo	Jailer
James Q. Shaw	Property Valuation Administrator
Janet L. Propes	County Treasurer
George Bertram	Coroner
Peggy Hawkins	Magistrate
Scotty Lee	Magistrate
Gordon Conner	Magistrate
Norman Heath	Magistrate

STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

LARUE COUNTY
STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

June 30, 1998

Assets and Other Resources

Assets

General Fund:

Cash	\$ 149,420
Investments	1,103,042

Road and Bridge Fund:

Cash	2,849
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Jail Fund:

Cash	30,220
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Jail Commissary Fund:

Cash	6,633
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Other Resources

Road and Bridge Fund:

Amounts to be Provided in Future Years for Road Garage Property Lease Purchase Obligations - Principal (Note 4)	370,975
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Amounts to be Provided in Future Years for Road Paving Project Lease Purchase Obligations - Principal (Note 4)	300,000
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Jail Fund:

Amounts to be Provided in Future Years for Jail Capital Lease Obligations - Bond Principal Payments (Note 4)	131,000
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Building Commission Corporation Fund:

Amounts to be Provided in Future Years for Bond Principal Payments (Note 5)	550,000
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Total Assets and Other Resources

\$ 2,644,139

The accompanying notes are an integral part of the financial statements.

LARUE COUNTY
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
 ARISING FROM CASH TRANSACTIONS
 June 30, 1998
 (Continued)

Liabilities and Fund Balances

Liabilities

Road and Bridge Fund:

Road Garage Property Lease Purchase - Principal (Note 4)	\$ 370,975
Road Paving Project Lease Purchase - Principal (Note 4)	300,000

Jail Fund:

Capital Lease Obligation - Bond Principal Payments (Note 5)	131,000
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Building Commission Corporation Fund:

Bond Principal Not Matured (Note 5)	550,000
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Fund Balances

Reserved:

Jail Commissary Fund	6,633
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Unreserved:

General Fund	1,252,462
Road and Bridge Fund	2,849
Jail Fund	<u>30,220</u>

Total Liabilities and Fund Balances

\$ 2,644,139

STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

LARUE COUNTY
STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

Fiscal Year Ended June 30, 1998

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Cash Receipts</u>				
Schedule of Operating Revenue	\$ 3,467,073	\$ 1,833,286	\$ 1,053,837	\$ 579,950
Transfers In	195,000	40,000		155,000
Kentucky Advance Revenue Program	1,083,010	810,090	272,920	
Lease-Purchase Proceeds	754,215		754,215	
Jail Commissary Fund Receipts	103,774			
Total Cash Receipts	<u>\$ 5,603,072</u>	<u>\$ 2,683,376</u>	<u>\$ 2,080,972</u>	<u>\$ 734,950</u>
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 3,566,552	\$ 1,483,721	\$ 1,380,155	\$ 702,676
Purchase of Land	385,000		385,000	
Purchase of Road Equipment	69,215		69,215	
Transfers Out	195,000	155,000	40,000	
Bonds:				
Principal Paid	25,000			25,000
Principal on Capital Lease:				
Road Garage	14,025		14,025	
Jail Annex	6,000			6,000
Kentucky Advance Revenue Program Repaid	1,083,010	810,090	272,920	
Jail Commissary Fund Expenditures	104,371			
Total Cash Disbursements	<u>\$ 5,448,173</u>	<u>\$ 2,448,811</u>	<u>\$ 2,161,315</u>	<u>\$ 733,676</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ 154,899	\$ 234,565	\$ (80,343)	\$ 1,274
Cash Balance - July 1, 1997	<u>1,137,265</u>	<u>1,017,897</u>	<u>83,192</u>	<u>28,946</u>
Cash Balance - June 30, 1998	<u>\$ 1,292,164</u>	<u>\$ 1,252,462</u>	<u>\$ 2,849</u>	<u>\$ 30,220</u>

The accompanying notes are an integral part of the financial statements.

LARUE COUNTY
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCES
Fiscal Year Ended June 30, 1998
(Continued)

Jail
Commissary
Fund

\$

103,774

\$ 103,774

\$

104,371

\$ 104,371

\$ (597)

7,230

\$ 6,633

LARUE COUNTY
NOTES TO FINANCIAL STATEMENTS

June 30, 1998

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of LaRue County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the criteria stated in GASB 14, management has included the Jail Commissary Fund as part of the reporting entity.

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts.

C. Basis of Accounting

The financial statements were prepared on a cash basis of accounting pursuant to Kentucky Revised Statute (KRS) 68.210 as recommended by the State Local Finance Officer. Consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts.

D. Legal Compliance - Budget

The LaRue County budget is adopted on a cash basis of accounting and laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

E. Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk (Note 3), investments exclude certificates of deposit.

LARUE COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1998
(Continued)

Note 1. (Continued)

E. Cash and Investments (Continued)

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System

The county has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system which covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 8.65 percent. Hazardous covered employees are required to contribute 7 percent of their salary to the plan. The county's contribution rate for hazardous employees was 18.21 percent.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report.

Note 3. Deposits

The county maintains deposits with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to law, the depository institution should pledge sufficient securities as collateral which, together with FDIC insurance, equals or exceeds the amount on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge of securities should be evidenced by an agreement that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. This agreement, signed by both parties, must be sufficient to create an enforceable and perfected security interest in the collateral under Kentucky law. The county met the requirements stated above, and as of June 30, 1998, deposits were fully insured or collateralized at a 100% level with securities held by the county's agent in the county's name.

LARUE COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1998
(Continued)

Note 3. Deposits (Continued)

	<u>Bank Balance</u>
Collateralized with securities held by the county's agent in the county's name	\$ 0
Collateralized with securities held by pledging depository institution in the county's name	815,384
Uncollateralized and uninsured	<u>0</u>
Total	<u>\$ 815,384</u>

Note 4. Lease-Purchase Agreements

The county has entered into the following lease-purchase agreements:

A. Capital Leases

1. Road Garage Property

On September 12, 1997, the LaRue County Fiscal Court entered into a lease-purchase agreement with the Kentucky Association of Counties Leasing Trust (KACoLT). The lease-purchase agreement was for the purchase of property for the road garage. The principal was \$385,000 at 4.250 percent for a period of 15 years, interest and principal paid monthly. Principal outstanding as of June 30, 1998, is \$370,975. Lease payments excluding an anticipated interest rebate from KACoLT are:

<u>Fiscal Year</u>	<u>Scheduled Interest</u>	<u>Scheduled Principal</u>
1999	\$ 18,999	\$ 19,403
2000	17,961	20,237
2001	16,879	21,108
2002	15,749	22,016
2003	14,572	22,963
2004-2011	<u>69,107</u>	<u>265,248</u>
Totals	<u>\$ 153,267</u>	<u>\$ 370,975</u>

LARUE COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1998
(Continued)

Note 4. Lease-Purchase Agreements (Continued)

A. Capital Leases (Continued)

2. Road Paving Project

On May 8, 1998, the LaRue County Fiscal Court entered into a lease-purchase agreement with the Kentucky Association of Counties Leasing Trust (KACoLT). The lease-purchase agreement was for the paving of roads. The principal was \$300,000 at 4.500 percent for a period of 10 years, interest paid monthly and principal paid annually. Principal outstanding as of June 30, 1998, is \$300,000. Lease payments excluding an anticipated interest rebate from KACoLT are:

<u>Fiscal Year</u>	<u>Scheduled Interest</u>	<u>Scheduled Principal</u>
1999	\$ 16,029	\$ 24,000
2000	14,679	25,000
2001	13,275	26,000
2002	11,791	28,000
2003	10,221	29,000
2004-2011	<u>25,039</u>	<u>168,000</u>
Totals	<u>\$ 91,034</u>	<u>\$ 300,000</u>

3. Jail Annex

On June 22, 1992, the LaRue County Fiscal Court entered into a lease-purchase agreement with the Kentucky Association of Counties Leasing Trust (KACoLT). The lease-purchase agreement was for the construction of a 30-bed jail annex. The principal was \$164,000 at 5.409 percent for a period of 20 years, interest paid monthly and principal paid annually. Principal outstanding as of June 30, 1998, is \$131,000. Lease payments excluding an anticipated interest rebate from KACoLT are:

<u>Fiscal Year</u>	<u>Scheduled Interest</u>	<u>Scheduled Principal</u>
1999	\$ 8,241	\$ 6,000
2000	7,830	7,000
2001	7,381	7,000
2002	6,905	8,000
2003	6,392	8,000
2004-2011	<u>29,978</u>	<u>95,000</u>
Totals	<u>\$ 66,727</u>	<u>\$ 131,000</u>

LARUE COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1998
(Continued)

Note 4. Lease-Purchase Agreements (Continued)

B. Operating Leases

The county has entered into the following operating lease-purchase agreements:

Description	Purchase Date	Maturity Date	Interest Rate	Principal Balance 6/30/98
Road and Bridge Fund:				
Ford Motor Credit Co.-				
Boomer Mower	9/1993	8/1998	5.730%	\$ 1,203
GMB Financial Group, Inc.-				
Grader	12/1994	12/1998	6.980%	\$ 7,847
KACO Leasing Trust-				
Dump Truck	4/1996	2/2001	4.774%	\$ 31,000
Road Equipment	9/1997	10/2002	4.250%	\$ 59,739
Jail Fund:				
KACO Leasing Trust-				
E-911 Equipment	6/1996	2/2001	5.124%	\$ 180,000

Note 5. Long-Term Debt

First Mortgage Revenue Bonds, Series of 1991

The LaRue County Building Commission Corporation Fund issued \$705,000 of First Mortgage Revenue Bonds, Series of 1991, dated January 1, 1991, at various rates for the purpose of constructing a courthouse facility. These bonds are not matured, but are to be discharged in future years by the proceeds of the First Mortgage Refunding Revenue Bonds, Series of 1998 (See Note 6). Bonds outstanding as of June 30, 1998, are \$550,000. Debt service requirements due the next two years and refunded in fiscal year 2001 are:

Fiscal Year	Scheduled Interest	Scheduled Principal
1999	\$ 39,718	\$ 25,000
2000	38,055	30,000
2001	36,030	495,000
Totals	<u>\$ 113,803</u>	<u>\$ 550,000</u>

LARUE COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1998
(Continued)

Note 6. Subsequent Events

A. First Mortgage Refunding Revenue Bonds, Series of 1998

The LaRue County Building Commission Corporation Fund issued \$630,000 of First Mortgage Refunding Revenues Bonds, Series of 1998, dated October 1, 1998, at 4.10% interest rate for the purpose of discharging the outstanding First Mortgage Revenue Bonds, Series of 1991 (referred to herein as the "Prior Bonds").

The Corporation issued \$630,000 of refunding revenue bonds, the proceeds of which were used to purchase an escrow for deposit to the Escrow Fund that, amount when added with interest earnings thereon and any cash or investments held by the trustee for the prior year bonds, is planned to be adequate to discharge all outstanding prior bonds. The Escrow Fund is intended to provide the following:

1. Meet the scheduled principal and interest payments of the 1991 prior bonds beginning January 1, 1999 and through January 1, 2001 (dates inclusive);
2. To call on January 1, 2001, all the principal amounts then outstanding of the 1991 prior bonds at 103%;

Debt service requirements are:

<u>Fiscal Year</u>	<u>Scheduled Interest</u>	<u>Scheduled Principal</u>
1999	\$ 6,458	\$ 35,000
2000	24,395	40,000
2001	22,755	40,000
2002	21,115	45,000
2003	19,270	45,000
2004-2011	<u>81,795</u>	<u>425,000</u>
Totals	<u>\$ 175,788</u>	<u>\$ 630,000</u>

LARUE COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1998
(Continued)

Note 6. Subsequent Events (Continued)

B. General Obligation Improvement Bonds, Series of 1999

The LaRue County Fiscal Court issued \$1,910,000 of General Obligation Improvement Bonds, Series of 1999, dated January 1, 1999 at various interest rates for the purpose of constructing courthouse facilities. Debt service requirements are:

<u>Fiscal Year</u>	<u>Scheduled Interest</u>	<u>Scheduled Principal</u>
1999	\$	\$
2000	88,313	60,000
2001	79,420	65,000
2002	77,080	70,000
2003	74,490	70,000
2004-2019	<u>691,260</u>	<u>1,645,000</u>
Totals	<u>\$ 1,010,563</u>	<u>\$ 1,910,000</u>

C. Capital Lease – Grader

On October 8, 1998, the LaRue County Fiscal Court entered into a lease-purchase agreement with the Kentucky Association of Counties Leasing Trust (KACoLT). The lease-purchase agreement was for the purchase of grader. The principal was \$110,000 at 3.800 percent for a period of six years, interest paid monthly and principal paid annually. Lease payments excluding an anticipated interest rebate from KACoLT are:

<u>Fiscal Year</u>	<u>Scheduled Interest</u>	<u>Scheduled Principal</u>
1999	\$ 3,717	\$
2000	4,908	20,000
2001	3,922	21,000
2002	2,888	22,000
2003	1,806	23,000
2004	<u>676</u>	<u>24,000</u>
Totals	<u>\$ 17,917</u>	<u>\$ 110,000</u>

COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

LARUE COUNTY
COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

Fiscal Year Ended June 30, 1998

<u>Budgeted Funds</u>	<u>Budgeted Operating Revenue</u>	<u>Actual Operating Revenue</u>	<u>Over (Under) Budget</u>
General Fund	\$ 2,499,500	\$ 1,833,286	\$ (666,214)
Road and Bridge Fund	1,978,050	1,053,837	(924,213)
Jail Fund	529,385	579,950	50,565
Totals	<u>\$ 5,006,935</u>	<u>\$ 3,467,073</u>	<u>\$ (1,539,862)</u>
<u>Reconciliation</u>			
Total Budgeted Operating Revenue Above			\$ 5,006,935
Add: Budgeted Prior Year Surplus			191,415
Less: Other Financing Uses			<u>(1,128,125)</u>
Total Operating Budget Per Comparative Schedule Of Final Budget and Budgeted Expenditures			<u>\$ 4,070,225</u>

SCHEDULE OF OPERATING REVENUE

LARUE COUNTY
SCHEDULE OF OPERATING REVENUE

Fiscal Year Ended June 30, 1998

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Revenue From Local Taxes</u> <u>and Excess Fees</u>				
Sheriff:				
Taxes	\$ 443,251	\$ 443,251	\$	\$
Excess Fees - 1997	26,826	26,826		
County Clerk:				
Deed Transfer Tax	20,936	20,936		
Delinquent Taxes	4,803	4,803		
Excess Fees - 1997	81,449	81,449		
Tangible Personal Property Taxes:				
Other Counties	9,550	9,550		
County Clerk	67,108	67,108		
Omitted Property Tax	1,463	1,463		
Telephone E-911 Tax	116,017	116,017		
In Lieu of Taxes:				
City of Hodgenville	2,987	2,987		
U.S. Treasurer	85	85		
Totals	<u>\$ 774,475</u>	<u>\$ 774,475</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Federal Receipts - State Treasurer</u>				
Disaster and Emergency Assistance				
Grants - Coordinator Salary	\$ 6,376	\$ 6,376	\$	\$
Community Development Block				
Grants -				
Roanoke-Levelwood				
Water Project	6,240	6,240		
NSU Corporation				
Water Tower Project	390,000	390,000		
Totals	<u>\$ 402,616</u>	<u>\$ 402,616</u>	<u>\$ 0</u>	<u>\$ 0</u>

LARUE COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1998
 (Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Kentucky State Treasurer</u>				
Jail:				
Allotments	\$ 28,631	\$	\$	\$ 28,631
Medical Allotments	5,872			5,872
Driving Under The Influence Fees	1,477			1,477
Housing State Prisoners	133,695			133,695
Class D Felon Payments	208,869			208,869
County Road Aid	514,552		514,552	
Truck License Distribution	151,651		151,651	
Courthouse Rental - Administrative				
Office of the Courts	107,033	107,033		
Refunds:				
Legal Process Tax	78	78		
Drivers Licenses	1,289		1,289	
Dog Licenses	91	91		
Board of Assessments	200	200		
Grants:				
Arts Council	7,100	7,100		
Disaster and Emergency Assistance Grant - Coordinator Salary	2,595	2,595		
Transportation Cabinet	357,976		357,976	
Totals	\$ 1,521,109	\$ 117,097	\$ 1,025,468	\$ 378,544

Miscellaneous Revenue

Interest	\$ 100,153	\$ 79,157	\$ 20,074	\$ 922
Circuit Court Clerk:				
Jail Cost	4,927			4,927
Boarding Fees	11,796			11,796
Bond Acceptance Fees	559			559
Housing Prisoners - Other Counties	147,786			147,786
Telephone Commissions	32,319			32,319
Licenses and Permits:				
Cable T.V. Franchise	12,586	12,586		
Solid Waste Franchise	6,000	6,000		

LARUE COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1998
 (Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Miscellaneous Revenue (Continued)</u>				
Charges for Services:				
Ambulance Service	\$ 199,793	\$ 199,793	\$	\$
Dispatch Service	37,883	37,883		
Rentals and Leases	14,400	14,400		
Reimbursements	23,238	20,967	2,271	
Water Tower Project Contribution- NSU Corporation	157,964	157,964		
Disaster and Emergency Assistance - City of Hodgenville	1,800	1,800		
Road Material Sales	6,024		6,024	
Miscellaneous Items	11,645	8,548		3,097
Totals	<u>\$ 768,873</u>	<u>\$ 539,098</u>	<u>\$ 28,369</u>	<u>\$ 201,406</u>
Total Operating Revenue	<u>\$ 3,467,073</u>	<u>\$ 1,833,286</u>	<u>\$ 1,053,837</u>	<u>\$ 579,950</u>

COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

LARUE COUNTY
COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

Fiscal Year Ended June 30, 1998

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u>			
<u>General Government</u>			
Office of County Judge/Executive:			
County Judge/Executive Salary	\$ 48,500	\$ 48,313	\$ 187
Postal Charges	750	384	366
Registration, Conferences, and Training	800	300	500
Travel	1,100	786	314
Miscellaneous	100	51	49
Office of County Attorney:			
Salaries-			
County Attorney	10,000	10,000	
Secretary	3,000	3,000	
Recording and Court Costs	500	176	324
Telephone	1,000	788	212
Office of County Clerk:			
County Clerk Salary	2,100	2,100	
Insurance - Premium on Bonds	300	267	33
Postal Charges	800	800	
Printing and Binding	500	210	290
Tax Bill Preparation	5,408	5,287	121
Telephone	2,500	2,323	177
Miscellaneous	100	29	71
Office of Sheriff:			
Other Salaries	3,000	180	2,820
Insurance - Premium on Bonds	532	532	
Office Supplies	200		200
Other Materials and Supplies	500		500
Postal Charges	3,000	2,669	331
Reimbursements	21,157	21,157	
Telephone	2,200	2,019	181
Travel	300		300
Miscellaneous	100	60	40

LARUE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>General Government (Continued)</u>			
Office of County Coroner:			
Salaries-			
County Coroner	\$ 4,800	\$ 4,800	\$
Deputy Coroner	1,800	1,800	
Materials and Supplies	250		250
Training	400	273	127
Travel	300	100	200
Miscellaneous	520	429	91
Fiscal Court:			
Magistrates-			
Salaries	22,000	20,954	1,046
Advertising	1,800	995	805
Memberships	2,873	2,873	
New Office Equipment	1,500	533	967
Office Materials and Supplies	2,200	2,098	102
Travel	1,200		1,200
Miscellaneous	4,100	3,929	171
Fiscal Court Clerk Salary	11,256	11,256	
Office of Property Valuation Administrator:			
Telephone	1,000	862	138
Statutory Contribution	12,982	12,982	
Office of Board of Assessment Appeals:			
Per Diem	800	400	400
Office of County Treasurer:			
County Treasurer Salary	9,250	9,250	
Insurance - Premium on Bond	400	371	29
Elections:			
Per Diem-			
Election Commissioners	2,225	2,225	
Election Officers	4,356	4,356	
Advertising	600	264	336
Maintenance - Voting Machines	8,500	4,206	4,294

LARUE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>General Government (Continued)</u>			
Elections: (Continued)			
Polling Place Rentals	\$ 400	\$ 175	\$ 225
Printing, Forms, etc.	800		800
Planning and Zoning:			
Per Diem	23,500	22,738	762
Economic Development:			
NSU Corporation-			
Water Tower Construction	560,000	547,964	12,036
Courthouse:			
Custodial Salaries	16,600	16,490	110
Janitorial Services	19,261	18,366	895
Maintenance and Repairs-			
Building	14,500	12,511	1,989
Equipment	4,500	4,023	477
Rentals	150		150
Solid Waste	1,300	1,249	51
Custodial Supplies	10,000	6,676	3,324
Materials and Supplies	200	162	38
Renewals and Repairs	200		200
Water and Sewer	1,250	1,030	220
Electric	12,000	11,818	182
Natural Gas	4,072	3,883	189
Miscellaneous	1,600	735	865
<u>Protection to Persons and Property</u>			
County Fire Department:			
Contributions	14,000	14,000	
Miscellaneous	100	90	10
Disaster and Emergency Services:			
Salaries-			
Director	14,500	14,500	
Secretary	10,259	10,259	

LARUE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>Protection to Persons and Property (Continued)</u>			
Disaster and Emergency Services: (Continued)			
Office Materials and Supplies	\$ 441	\$ 276	\$ 165
Postal Charges	150	150	
Telephone	5,700	5,588	112
Ambulance Service:			
Medical Personnel Salaries	202,600	201,681	919
Advertising	200	39	161
Billing and Processing	9,920	9,920	
Maintenance and Repairs-			
Equipment	850		850
Radio	750	39	711
Vehicles	6,000	3,416	2,584
Machinery and Equipment	55,000	54,627	373
Motor Vehicle Parts	2,250	834	1,416
Office Supplies	3,350	3,111	239
Petroleum Products	8,500	5,840	2,660
Tires and Tubes	1,500	859	641
Medical Supplies	13,000	8,256	4,744
Postal Charges	200	200	
Telephone	3,150	3,083	67
Electric	1,700	1,407	293
Miscellaneous	1,100	902	198
Forestry Fire Protection:			
Kentucky State Treasurer	1,250	1,124	126
Office of Public Defender:			
Mandated Program Support	1,788	1,788	
<u>General Health and Sanitation</u>			
Dog Control:			
Dog Warden Salary	10,750	10,750	
Animal Food and Supplies	1,640	1,640	
Licenses	275	265	10
Miscellaneous	590	162	428

LARUE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>General Health and Sanitation (Continued)</u>			
Solid Waste:			
Coordinator Salary	\$ 1,321	\$ 1,321	\$
Clean-up	5,200	4,464	736
Mental Health/Mental Retardation:			
Contracts with Vehicle Owners	2,400	2,400	
Soil and Water Conservation:			
Contribution	10,000	10,000	
<u>Social Services</u>			
General Charity and Welfare:			
Pauper Burials	1,500	600	900
Central Kentucky Community Action	2,400	2,400	
<u>Recreation and Culture</u>			
Parks:			
Contribution	17,000	17,000	
County Museum:			
Contribution	1,000	1,000	
Tourist and Convention:			
Chamber of Commerce	4,000	3,985	15
Other Cultural Programs:			
Arts Council Contribution	9,600	9,600	
<u>Debt Service</u>			
Borrowed Money:			
Interest	18,794	17,320	1,474

LARUE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>Capital Projects</u>			
Waterline Construction:			
Roanoke Waterline Construction	\$ 50,000	\$ 6,240	\$ 43,760
<u>Administration</u>			
General Services:			
Grants/Programs Administrator Salary	16,000		16,000
Audit Service	9,000	8,649	351
ADD Contribution	3,600	3,504	96
Insurance	30,000	27,032	2,968
Contingent Appropriations:			
Reserve for Transfers	12,213		12,213
Fringe Benefits:			
County Contributions-			
Social Security	49,500	42,966	6,534
Retirement	75,679	73,857	1,822
Life Insurance	750	622	128
Health Insurance	33,000	32,572	428
Worker's Compensation	30,000	28,738	1,262
Unemployment Insurance	438	438	
Total Operating Budget	\$ 1,628,800	\$ 1,483,721	\$ 145,079
Other Financing Uses:			
Kentucky Advance Revenue Program-			
Principal	810,100	810,090	10
Total General Fund	\$ 2,438,900	\$ 2,293,811	\$ 145,089

LARUE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND</u>			
<u>Roads</u>			
Office of Road Supervisor/Engineer:			
Salaries-			
Road Supervisor	\$ 27,743	\$ 27,743	\$
Secretary	8,957	7,130	1,827
Advertising	250		250
Maintenance and Repairs	200	91	109
Office Supplies	905	306	599
Postal Charges	250	158	92
Stationary and Forms	150		150
Registration and Training	200	55	145
Travel	300		300
Office Equipment	700		700
Road Maintenance:			
Road Workers Salaries	152,000	150,390	1,610
Asphalt	95,000	93,927	1,073
Crushed Stone and Gravel	88,748	88,748	
Contracted Construction - Roads	1,031,252	725,297	305,955
Maintenance Agreements	3,400	3,309	91
Garage Supplies	10,000	8,162	1,838
General Construction Materials	5,495	5,495	
Maintenance and Repairs-			
Building	200	189	11
Vehicles	13,000	8,587	4,413
Rentals	800		800
Machinery and Equipment-			
Repairs	6,000	5,091	909
New Road Machinery	10,000	9,491	509
Motor Vehicle Parts	24,000	23,628	372
Petroleum Products	38,000	36,484	1,516
Pipe	9,000	8,982	18
Signs	2,500	1,256	1,244
Solid Waste	750	569	181
Salt	5,000	4,517	483
Tires and Tubes	9,000	7,278	1,722
Reimbursement	2,907		2,907
Telephone	900	778	122

LARUE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND (Continued)</u>			
<u>Roads (Continued)</u>			
Road Maintenance: (Continued)			
Materials and Supplies	\$ 3,000	\$ 2,477	\$ 523
Water and Sewer	750	645	105
Electric	3,500	3,023	477
Natural Gas	2,196	1,917	279
Miscellaneous	5,322	5,322	
<u>Debt Service</u>			
Borrowed Money:			
Interest	5,835	5,835	
Other County Liabilities:			
Lease-Purchase Agreements	47,561	46,449	1,112
Interest on Capital Leases	13,450	13,450	
<u>Administration</u>			
General Services:			
Insurance	32,000	30,115	1,885
Contingent Appropriations:			
Reserve for Budget Transfers	1,050		1,050
Fringe Benefits:			
County Contributions-			
Retirement	15,000	14,662	338
Social Security	13,000	12,196	804
Life Insurance	254	254	
Health Insurance	17,000	16,192	808
Worker's Compensation	15,000	6,573	8,427
Unemployment Insurance	3,500	3,384	116
Total Operating Budget	\$ 1,726,025	\$ 1,380,155	\$ 345,870
Other Financing Uses:			
Principal on Capital Lease-Road Garage	14,025	14,025	
Kentucky Advance Revenue Program-			
Principal	273,000	272,920	80
Total Road and Bridge Fund	\$ 2,013,050	\$ 1,667,100	\$ 345,950

LARUE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>JAIL FUND</u>			
<u>Protection to Persons and Property</u>			
Office of Jailer:			
Personnel Services-			
Salaries-			
Jailer	\$ 44,000	\$ 44,000	\$
Jail Personnel	127,000	125,556	1,444
Dispatchers	64,000	63,174	826
Part-Time Personnel	26,800	26,693	107
Other Personnel	11,000	11,000	
Operations-			
Custodial Supplies	10,000	9,882	118
Food Preparation and Serving Supplies	550	410	140
Food	95,400	95,329	71
Jail Linens	1,000	521	479
Office Supplies	1,200	878	322
Other Materials and Supplies	4,200	3,759	441
Prisoner Clothing	700	599	101
Routine Medical	30,195	30,002	193
Staff Travel	7,500	7,361	139
Telephone	2,500	2,151	349
Utilities	18,500	18,474	26
Housing Prisoners - Other Counties	625	625	
Miscellaneous Operating Expense	10,000	9,821	179
Furniture and Fixtures	200		200
Maintenance-			
Equipment Repairs	15,745	15,657	88
Equipment-			
Communication Equipment - Lease	64,837	64,837	
E-911 Telephone	18,800	18,646	154
Other Equipment	3,874	3,729	145

LARUE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>JAIL FUND (Continued)</u>			
<u>Protection to Persons and Property (Continued)</u>			
Juvenile Detention:			
Contracts with Government Agencies	\$ 43,450	\$ 43,450	\$
<u>Debt Service</u>			
General Obligation Bonds:			
Interest	41,355	41,355	
Jail Capital Lease Obligations:			
Interest	7,281	7,281	
<u>Administration</u>			
General Services:			
Memberships	450	400	50
Training	450	260	190
Contingent Appropriations:			
Reserve for Budget Transfers	5,713		5,713
Fringe Benefits:			
County Contributions-			
Retirement	20,000	19,134	866
Social Security	19,100	18,814	286
Health Insurance	18,975	18,878	97
Total Operating Budget	\$ 715,400	\$ 702,676	\$ 12,724
Other Financing Uses:			
General Obligation Bonds - Principal	25,000	25,000	
Jail Capital Lease Obligations - Principal	6,000	6,000	
Total Jail Fund	\$ 746,400	\$ 733,676	\$ 12,724

LARUE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
Total Operating Budget - All Funds	\$ 4,070,225	\$ 3,566,552	\$ 503,673
Other Financing Uses:			
Principal on Capital Lease - Road Garage	14,025	14,025	
General Obligation Bonds - Principal	25,000	25,000	
Jail Capital Lease Obligations - Principal	6,000	6,000	
Kentucky Advance Revenue Program- Principal	1,083,100	1,083,010	90
TOTAL BUDGET - ALL FUNDS	<u>\$ 5,198,350</u>	<u>\$ 4,694,587</u>	<u>\$ 503,763</u>

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



Edward B. Hatchett, Jr. Auditor of Public Accounts

Honorable Tommy Turner, County Judge/Executive
Members of the LaRue County Fiscal Court

Report On Compliance And On Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements of LaRue County, Kentucky, as of and for the year ended June 30, 1998, and have issued our report thereon dated July 14, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether LaRue County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered LaRue County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Honorable Tommy Turner, County Judge/Executive
Members of the LaRue County Fiscal Court
Report On Compliance And On Internal Control Over Financial Reporting Based On An
Audit Of Financial Statements Performed In Accordance With Government Auditing Standards
(Continued)

This report is intended for the information of management. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
July 14, 1999

REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133



Edward B. Hatchett, Jr. Auditor of Public Accounts

Honorable Tommy Turner, County Judge/Executive
Members of the LaRue County Fiscal Court

Report On Compliance With Requirements Applicable To Each Major Program And Internal Control Over Compliance In Accordance With OMB Circular A-133

Compliance

We have audited the compliance of LaRue County, Kentucky, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1998. LaRue County's major federal programs are identified in the Schedule of Expenditures of Federal Awards. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of LaRue County's management. Our responsibility is to express an opinion on LaRue County's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about LaRue County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on LaRue County's compliance with those requirements.

In our opinion, LaRue County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1998.

Internal Control Over Compliance

The management of LaRue County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered LaRue County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Honorable Tommy Turner, County Judge/Executive
Members of the LaRue County Fiscal Court
Report On Compliance With Requirements Applicable To Each Major Program
And Internal Control Over Compliance In Accordance With OMB Circular A-133
(Continued)

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of management and federal awarding agencies and pass-through entities. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed –
July 14, 1999

FINDINGS AND QUESTIONED COSTS

LARUE COUNTY
FINDINGS AND QUESTIONED COSTS

Fiscal Year Ended June 30, 1998

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of LaRue County.
2. No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditor's Report.
3. No instances of noncompliance material to the financial statements of LaRue County were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal awards programs are reported in the Independent Auditor's Report.
5. The auditor's report on compliance for the audit of the major federal award programs for LaRue County expresses an unqualified opinion.
6. There are no audit findings relative to the major federal awards programs for LaRue County reported in Part C of this schedule.
7. The program tested as a major program was: NSU Water Tower CFDA #14.228.
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. LaRue County was not determined to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS PROGRAM
AUDIT

None

REPORTABLE CONDITIONS

None

NONCOMPLIANCES

None

PRIOR YEAR FINDINGS

None

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

LARUE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Year Ended June 30, 1998

Federal Grantor Program Title <u>Grant Name (CFDA #)</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<u>Cash Programs</u>		
<u>U.S. Department of Housing and Urban Development</u>		
Passed-Through State Department of Local Government:		
Community Development Block Grants-		
Roanoke-Levelwood Water Project (CFDA #14.228)	B-93-DC-21-0001(035)	\$ 6,240
NSU Corporation Project-Water Tower (CFDA #14.228)(Note 2)*	B-93-DC-21-0001(040)	<u>390,000</u>
Total U.S. Department of Housing and Urban Development		<u>\$ 396,240</u>
<u>U.S. Federal Emergency Management Agency</u>		
Passed-Through State Department of Military Affairs:		
Disaster and Emergency Assistance Grants-		
Coordinator Salary (CFDA #83.534)	Not Applicable	<u>\$ 6,376</u>
Total Cash Expenditures of Federal Awards		<u>\$ 402,616</u>

*Major Program

See Notes to Schedule of Expenditures of Federal Awards.

LARUE COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Year Ended June 30, 1998

Note 1 - Basis of Presentation

This schedule is presented on a cash basis.

Note 2 - As required by this grant agreement, all program moneys received by the recipient after the completion of all recipient grant activities shall be used by the recipient for community or economic development activities eligible for assistance under Title I of the Housing and Community Development Act of 1974, so specified in the Commonwealth of Kentucky's Community Development Block Grant Eligible Activities Policy Statement.